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Russian Federation

Food and Agricultural Import Regulations and Standards

Criteria of Meat Processing Sufficiency in Kaliningrad Free Trade Zone

2006

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Report Highlights:

The Russian Government approved a set of resolutions establishing new rules for importing meat for further processing in the Kaliningrad Free Economic Zone. The resolutions are a result of an investigation by the Ministry of Economic Development and Trade to claims by the meat industry that Kaliningrad and CIS countries are purchasing large quantities of meat from non-CIS countries, slightly processing it, and then exporting it as their own product to Russia duty free.

Includes PSD Changes: No Includes Trade Matrix: No Unscheduled Report Moscow [RS1] [RS]

Summary

The Government of the Russian Federation has approved a set of Resolutions establishing new rules for importing poultry for further processing in the Kaliningrad Free Economic Zone. The resolutions are a result of an investigation by the Ministry of Economic Development and Trade to claims by Russia's meat industry that Kaliningrad and CIS countries are purchasing large quantities of meat from non-CIS countries, slightly processing it, and then exporting it as their own product to Russia duty free.

The New Resolutions

The resolutions are a result of an investigation by the Ministry of Economic Development and Trade to claims by Russia's meat industry that Kaliningrad and other CIS countries are purchasing large quantities of meat from non-CIS countries, slightly processing it, and then exporting it as their own product to Russia duty free. By order of the Government of the Russian Federation #2362-p and #2360 of December 30, 2005, the government agreed to the administration's proposals to change the list of products that can be imported from duty free zone countries to the special economic zone of Kaliningrad oblast in January-April 2006. Imports of most other groups of agricultural products from duty free zone countries were banned during this time period. (Ref. GAIN RS6004; RS6005).

After the investigation, the Russian Government issued the following Resolutions:

Resolution #183 dated March 31, 2006 "On Criteria of Meat Processing Sufficiency List of Simple Assembly and Other Operations Which Do Not Significantly Alter the State of a Commodity and Which Do Not Meet Processing Sufficiency Criteria and Originating from the Special Economic Zone in Kaliningrad Region;"

Resolution #184 dated March 31, 2006 "On Approving the List of Simple Assembly and Other Operations Which Do Not Significantly Alter the State of a Commodity and Which Do Not Meet Processing Sufficiency Criteria and Originating from the Special Economic Zone in Kaliningrad Region;"

Resolution #186 dated March 31, 2006 List Of Commodities Not Eligible for Free Customs Zone Status Applied to Kaliningrad Region

Unofficial Translation of the Resolution

Begin Translation:

Published April 5, 2006 Press Statement

Resolution #183 Dated March 31, 2006 "On Criteria of Meat Processing Sufficiency"

In accordance with article 32 of the Customs Code of the Russian Federation the Russian Federation Government hereby decrees:

1. The following operations do not meet sufficiency criteria in determining the country of origin of processed meat products derived from raw materials classified in commodity positions 0201, 0202, 0203, 0204, 0205 and 0207 of the Commodity Nomenclature of foreign economic activity of the Russian Federation imported to the customs territory of the Russian Federation, including from special economic zones:

Operations of mixing meat, including poultry MDM, with spices and (or) vegetable protein and (or) salt;

Other operations which do not significantly alter the state of the commodity, including salting by syringes, cutting up non-deboned meat into parts and mechanical deboning of poultry meat.

2. The present resolution enters into force one month after its official publication.

Prime Minister, Russian Federation M.Fradkov

Moscow, April 5, 2006 #0597

> Published April 5, 2006 Press Statement

Resolution #184 dated March 31, 2006

On Approving the List of Simple Assembly and Other Operations Which Do Not Significantly Alter the State of a Commodity and Which Do Not Meet Processing Sufficiency Criteria and Originating from the Special Economic Zone in Kaliningrad Region.

In accordance with clause 3 part 2 article 24 of the Federal Law "On the Special Economic Zone in Kaliningrad Region and on Making Amendments to Some Legal Acts of the Russian Federation" (Collection of Russian Federation Legislation, 2006, #3, art. 280) the Russian Federation Government hereby decrees:

- 1. To approve the attached list of simple assembly and other operations which do not significantly alter the state of a commodity and which do not meet processing sufficiency criteria and originating from the Special Economic Zone in Kaliningrad region.
- 2. Proposals on the necessity to make amendments to the list approved by the present resolution are submitted in accordance with established procedures by the Ministry of Economic Development and Trade of the Russian Federation.

Prime Minister, Russian Federation, M.Fradkov

Approved By Russian Federation Government Resolution #184 dated March 31, 2006

2	Mixing of poultry meat, including MDM or	0201,0202,0203,	meat processing
	animal meat with spices and (or)	0204,0205 00, 0207,	products
	vegetable protein and (or) salt,	from 0210 11 0210	
	salting by syringes, cutting up non-	20 900 0,	
	deboned meat into parts and mechanical	from 0210 99 100 0 -	
	deboning of poultry meat	- 0210 99 290 0,	
		from 0210 99 390 0,	

0210 99 900 0,	
from 1602 31	
1602 50 800 0,	
from 1602 90 510 0 -	
- 1602 90 980 0	

Published April 5, 2006 Press Statement

Resolution #186 dated March 31, 2006 List Of Commodities Not Eligible for Free Customs Zone Status Applied to Kaliningrad Region

In accordance with article 10 of the Federal Law "On Special Economic Zone in Kaliningrad Region and on Making Amendments to Some Legal Acts of the Russian Federation" the Russian Federation Government hereby decrees:

- 1. Approve the list of commodities not eligible for the free customs zone status applied to Kaliningrad region.
- 2. The present resolution enters into force April 1, 2006

Prime Minister, Russian Federation M.Fradkov

Approved by Russian Federation Government Resolution #186 dated March 31, 2006

List of Commodities Not Eligible for the Free

Customs Zone Status Applied to Kaliningrad Region

Position name ¹	TN VED Code
Live poultry, i.e. domestic hen (Gallus domesticus), ducks, geese, turkeys and guinea fowls excluding:	0105
domestic hen (Gallus domesticus)	0105 11
turkey	0105 12 000 0
other	0105 19

Meat and edible offal, of the poultry of heading 0105, fresh, chilled or frozen:	
- domestic hen (Gallus domesticus):	
not cut in pieces, fresh or chilled	0207 11
not cut in pieces, frozen	0207 12
cuts and offal, fresh or chilled	0207 13
cuts and offal, frozen	

halves or quarters	0207 14 200
legs and cuts thereof	0207 14 600
liver	0207 14 910
other	0207 14 990
Eggs in shells, fresh, canned or boiled:	
other	0407 00 300 0
Prepared or canned products from meat, meat offal or blood other:	
domestic hen (Gallus domesticus)	1602 32
others	1602 39
leg quarters and offal	1602 41
shoulder area and offal	1602 42
other, including mixes	1602 49

In order to determine the commodities included in the present list, refer to the TN VED code of Russia (the commodity name is stated only for ease of use). This note does not apply to cases for which it is specially stated that the eligibility for the free customs zone status is not applied to all commodities classified by the code and that the commodity name should also be taken into account.

Moscow, April 5, 2006 #0600

End translation